APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER OF USE AND PLACE OF USE OF THE PUBLIC WATERS OF THE STATE OF NEVADA HERETOFORE APPROPRIATED

Date of filing in State Engineer's Office	OCT 11 2005		
Returned to applicant for correction	OCT 31 2005		-
Corrected application filed			_
Map filed	NOV 18 2005		_

The applicant **Baroid Drilling Fluids**, **Inc.** hereby make application for permission to change the **point of diversion of a portion** of water heretofore appropriated under #42934 (certificate #15358)

- 1. The source of water is underground
- 2. The amount of water to be changed 0.022 c.f.s. (15.78 acre-feet)
- 3. The water to be used for mining, milling and domestic.
- 4. The water heretofore permitted for mining, milling and domestic.
- 5. The water is to be diverted at the following point within SE¼ SE¼, Section 15, T.37N., R.49E, M.D.M. from which the E.¼-section corner of said section 15 bears N. 43° 58' E., 1,745 feet distant.
- 6. The existing permitted point of diversion is located within NE¼ SE¼, Section 15, T.37N., R.49E, M.D.M. from which the SE corner of said section 15 bears S. 37°33'00"E., 2,031.0 feet distant
- 7. Proposed place of use same as existing.
- 8. Existing place of use Section 15, E½ Section 21, and all of Sections 22, 26, 27, 34 & 35, within T.37N, R.49E., M.D.M.
- 9. Use will be from January 1 to December 31 of each year.
- 10. Use was permitted from January 1 to December 31 of each year.
- 11. Description of proposed works drilled and cased well; submersible pump and motor, storage tanks, pipeline sytem to mining and milling facilities.
- 12. Estimated cost of works \$65,000.00
- 13. Estimated time required to construct works one year
- 14. Estimated time required to complete the application of water to beneficial use five years.

73322 Page 2 of 3

15. Remarks: It is intended to change all of the right remaining at the existing point of diversion, as well will be mined out as operations expand. Please refer to map filed under #472931 to indicate existing point of diversion.

s/ William A. Nisbet
By William A. Nisbet, Agent
421 Court Street
Elko, NV 89801

Compared gkl/sc	lt/ gki	
Protested		

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit to change the point of diversion of a portion of

This permit to change the point of diversion of a portion of the waters of an underground source as heretofore granted under Permit 42934, Certificate 15358, is issued subject to the terms and conditions imposed in said Permit 42934, Certificate 15358, and with the understanding that no other rights on the source will be affected by the change proposed herein. The well shall be equipped with a 2-inch opening and a totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of the water begins or before the Proof of Completion of Work is filed. If the well is flowing, a valve must be installed and maintained to prevent waste. The State retains the right to regulate the use of the water herein granted at any and all times.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The total combined duty of water under Permit 42931, Certificate 15356; Permit 42932, Certificate 15357; Permit 61410, Certificate 15359; Permit 70710, Temporary Permit 73107T and Permit 73322 shall not exceed 196.42 acre-feet annually.

The manner of use of water under this permit is by nature of its activity a temporary use and any application to change the manner of use granted under this permit will be subject to additional determination and evaluation with respect to the permanent effects on existing rights and the resource within the groundwater basin.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

Monthly records shall be kept of the amount of water pumped from this well and the records submitted to the State Engineer on a quarterly basis within 15 days after the end of each calendar quarter.

The amount of water to be changed shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.022 cubic feet per second, but not to-exceed 15.78 acre-feet annually.

Work must be prosecuted with reasonable diligence and be completed on or before:

October 18, 2007

Proof of completion of work shall be filed on or before:

November 18, 2007

Water must be placed to beneficial use on or before:

October 18, 2008

Proof of the application of water to beneficial use shall be filed on or before:

November 18, 2008

Map in support of proof of beneficial use shall be filed on or before: ${\bf N/A}$

IN TESTIMONY WHEREOF, I, TRACY TAYLOR, P.E.,
State Engineer of Nevada, have hereunto set
my hand and the seal of my office,

this 10th day of October, A.D. 2006

	Tru	State Engineer	P. E.	
Completion of work filed				_
Proof of beneficial use filed _				
Cultural map filed	N/A			
Sertificate No		Tagued		